

Preparing for HIPAA Transactions

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Need More
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Comprehensive Information

www.michigan.gov/mdch

(Go to "Providers" and click on
"Information for Medicaid Providers")

MDCH Provider Inquiry
P.O. Box 30479
Lansing, MI 48909-7979

Telephone: 1-800-292-2550
providersupport@michigan.gov

www.mihealth.org

HIPAA Primer:

Michigan Virtual University:
www.healthcare.mivu.org

Dental Conversion to National Standards

Conversion to the ASC X12N 837 v.4010 Dental is October 1, 2002

Michigan Medicaid Dental providers will be converting to the national transaction standards October 1, 2002. This conversion is one part of the federally mandated Health Insurance Portability and Accountability Act (HIPAA). Michigan Department of Community Health is providing you this important information to make your October 1, 2002, conversion to the national standards as smooth as possible.

The ASC X12N 837 Dental, version 4010 claim formats must be submitted by billing agents regardless of the date of service. This is effective for claims submitted on or after October 1, 2002. MDCH will no longer accept its current proprietary electronic dental claim format after September 30, 2002. MDCH encourages all Medicaid Dental providers to share this information with their electronic billing agent.

Convert to Electronic Billing to Realize HIPAA's Benefits

Providers will recognize significant benefits if they file claims electronically. If you currently submit paper claims, MDCH is urging you to partner with a clearinghouse to submit HIPAA compliant electronic claims. While we will continue to accept paper claims using the ADA 2000 claim format for the immediate future, we strongly encourage all of our dental providers to convert to electronic claims submission as soon as possible. Electronic claims provide more efficient and more accurate processing resulting in faster payments. Payers throughout Michigan will be ready for HIPAA. Will you be ready to reap the benefits?

Provider Education and Outreach

MDCH will provide:

- Ongoing communications to providers through bulletins and letters (see L 02-24)
- Education and outreach to MDA and its members
- Two web sites for up-to-date information:
 - www.michigan.gov/mdch
 - www.mihealth.org
- A HIPAA primer:
 - www.healthcare.mivu.org

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WHAT MEDICAID DENTAL PROVIDERS AND THEIR ELECTRONIC BILLING AGENTS SHOULD DO

- Download HIPAA Implementation Guides
— hipaa.wpc-edi.com/hipaa_40.asp
- Download Data Clarification Documents from the MDCH web site
— www.michigan.gov/mdch
- Stay current with HIPAA compliant Code Sets
- Test transactions prior to implementation dates

For uninterrupted claims payment, it is important that you comply with the HIPAA mandate. If you do not comply with HIPAA transaction and code set guidelines, MDCH cannot accept or pay your claims.

- Know the ASC x12N 837 v. 4010 Dental transaction compliance date (October 1, 2002)
- Pull all your resources together before you begin submitting claims
- Test for HIPAA compliance first and then test your claims before submitting real claims
- Have your electronic transactions certified HIPAA compliant or inquire to assure that your electronic biller or clearinghouse is certified
- Test your claims
- Know where to go for more information
- Stay on target with the HIPAA dates

Contact Other Payers about their HIPAA Implementation Program

Since HIPAA is a federal mandate, all payers will be working to implement the standards. Be sure to check with all the payers with which you do business for their testing schedules and other implementation details.

Partner with a Clearinghouse or Electronic Biller

If you do not submit your own electronic claims, you should partner with a HIPAA compliant clearinghouse. MDCH cannot accept and pay your claims if your clearinghouse is not HIPAA compliant. It is your responsibility to make sure your clearinghouse vendor has a plan in place for HIPAA compliance. That plan should include certification.

If you currently use a billing agent, clearinghouse, or software package to prepare and/or submit claims electronically, we suggest that you contact them to assure that the software used for submitting electronic claims is able to produce HIPAA compliant 837 Dental claims transactions.

If you are interested in submitting electronic claims for dental services or requesting a list of authorized e-billers, contact the MDCH Automated Billing Unit at automatedbilling@michigan.gov.

The Resources You Will Need

Electronic billing agents will need to utilize the following tools to submit claims to MDCH:

- Implementation Guides
— www.wpc-edi.com/HIPAA
- Dental Data Clarification Document
— www.michigan.gov/mdch
- Electronic Billing Manual
— www.michigan.gov/mdch
- HIPAA Validator
— www.bcbsm.com/bcn_providers/hipaacentral.shtml

Implementation Guides

Implementation Guides for HIPAA transaction sets are available at www.wpc-edi.com/HIPAA.

Dental Data Clarification Document

The Dental Data Clarification Document should be used as a companion guide. It is available on the MDCH web site, www.michigan.gov/mdch. Click on Providers, Information for Medicaid Providers, Data Clarification Documents, and Data Clarification for the 837 Dental Claim version 4010. This is a link to documents published by MDCH that provide further details regarding individual transaction sets. Dental providers should particularly focus on the document titled "Data Clarifications for the 837 Dental Claim version 4010." This document is a companion document to the HIPAA implementation guide for the ASC x12N 837 Dental v. 4010 transaction, which may be found at www.wpc-edi.com.

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HIPAA Compliance and B2B Testing

Test and Test Again Before Submitting Real Claims

MDCH is recommending a two-stage electronic claim submission testing process. MDCH strongly encourages Dental providers and their electronic billers to test for HIPAA compliance first with an independent third party service like Claredi or Foresight's HIPAA Validator. After successful completion of HIPAA compliance testing, providers and their electronic billers should then send a series of test claims to MDCH.

Stage 1 – Integrity Testing for HIPAA Compliance

Integrity testing for HIPAA compliance is strongly recommended for all providers. For providers previously certified by MDCH as electronic billers (using our old, proprietary claim format), integrity testing provides the opportunity to test new 837 Dental v. 4010 claims for syntax errors and ensure the transactions are formatted correctly.

Use the HIPAA Validator for HIPAA Compliance

To assure your transactions and code sets are HIPAA compliant and pass Stage 1 Integrity testing, MDCH recommends that you utilize an independent third-party testing service (like Foresight's HIPAA Validator) for HIPAA compliance. Blue Cross Blue Shield of Michigan in partnership with MDCH is providing free access to Foresight's HIPAA Validator for HIPAA compliance testing. It can be found at the BCBSM web site (www.bcbsm.com/bcn-providers/hipaa-central.shtml). This is a secured area which requires a login ID and password.

Stage 2 – Claims Testing for B2B Transactions

Claims Testing for B2B Transactions is the process of submitting test files to MDCH for processing. For providers previously certified by MDCH as electronic billers, this process is encouraged, but not neces-

sarily a required step. We strongly encourage these providers to complete Stage 1 Integrity Testing before attempting to send 837 Dental v. 4010 claims to MDCH. Electronic billers are urged to submit a representative sample of up to 100 individual claims. Files should reference active Medicaid beneficiaries; do not enter "fake" Medicaid numbers. Test claims are not live claims and will not be paid. The entire testing process will take a minimum of 5-10 business days to complete.

For more detailed instructions regarding each of the two stages of recommended testing activity please refer to Provider Letter 02-24, log on to the MDCH web site www.michigan.gov/mdch, click on Providers, Information for Medicaid Providers, Dental, and September Letter L 02-24.

Dental Conversion to National Standards *(continued)*

MDCH HIPAA Dental Transaction Implementation Schedule

MDCH will implement transactions incrementally beginning October 1, 2002 starting with claims.

- MDCH will test ASC x12N 837 v. 4010 Dental claim formats beginning in third quarter 2002
- MDCH will begin accepting the ASC x12N 837 v. 4010 Dental format October 1, 2002
- MDCH will begin testing all remaining HIPAA compliant transactions April 16, 2003
- MDCH will transmit 835 (Payment and Remittance Advice) transactions October 1, 2003
- All transactions must be HIPAA compliant by October 16, 2003
- Codes will be standardized by October 16, 2003

WHAT MEDICAID DENTAL PROVIDERS AND THEIR ELECTRONIC BILLING AGENTS SHOULD DO *(continued)*

Electronic Billing Manual

MDCH plans to begin testing for electronic dental claims on September 3, 2002. Please refer to the Electronic Billing Manual, Section 3, Testing. The manual can be found on the MDCH web site, www.michigan.gov/mdch. Once at the web site, click on Providers, Information for Medicaid Providers, Michigan Medicaid Uniform Billing Project, Testing Instructions, MDCH Electronic Billing Manual.

HIPAA Overview

What Is HIPAA?

HIPAA is the Health Insurance Portability and Accountability Act of 1996 that imposes rules on all providers and payers. HIPAA's administrative simplification provisions require the implementation of national standards to regulate and protect electronic transmissions.

Who Is Affected?

All health care providers (including physicians, dentists, hospitals), health plans, clearinghouses, payers and business associates. All providers who submit electronic transactions will have to do so in a HIPAA compliant format.

What Are the Benefits of HIPAA?

- Efficiency — simplification and standardization of electronic transactions and code sets will reduce the administrative burden to providers and payers. Reduced errors in claims data entry and the elimination of re-entry of the same data lowers operating costs and increases staff productivity. Electronic transactions also provide positive acknowledgement of receipt.
- Savings — providers and payers will recognize a reduction in administrative cost (electronic transactions cost about \$1 whereas paper transactions cost

anywhere from \$5 to \$15). Electronic transactions also eliminate the cost for handling and storing paper documents.

- Convenience — standardization of electronic transactions will enable easier data sharing, record portability and automated business procedures.
- Speed — financial transactions will be processed at a quicker rate resulting in faster payment for services. Faster submission of claims results in quicker payments and reduced receivables which improves cash forecasting & cash flow.

Need More Information?

For More Information

- Log on to Michigan Virtual University's HIPAA primer — www.healthcare.mivu.org
- Visit the Michigan Department of Community Health web site — www.michigan.gov/mdch
- Visit mihealth.org for a complete details including updated questions & answers — www.mihealth.org
- E-mail MDCH — providersupport@michigan.gov
- To become an electronic biller contact — automatedbilling@michigan.gov
- Contact your association

Other Useful Web Resources

- aspe.os.dhhs.gov/admsimp (full text of HIPAA regulations)
- www.wpc.wpc-edi.com (X12N implementation guide)
- www.ncdp.org (NCPDP implementation guide)
- www.wedi.org (helpful white pages for HIPAA implementation)
- cms.hhs.gov/hipaa/hipaa2/ascaform.asp (HIPAA extension application)
- ugsmedicare.com (Medicare Part A)
- www.ss.wpsic.com/medicare_web (Medicare Part B)
- www.claredi.com (HIPAA certification and testing)
- http://www.bcbsm.com/providers/trans_test.shtml (Foresight's HIPAA Validator)
- www.ada.org/prof/prac/manage/benefits/cdtguide.html (CDT codes)
- www.bcbsm.com/providers/dental (Blue Cross Blue Shield of Michigan)
- www.deltadentalmi.com (Delta Dental)